



innogy

Annual Report 2021

innogy Energetika Plhov – Náchod

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Key Ratios (according to CAS)

	2021
Total sales (CZK m)	166.4
EBITDA (CZK m)	13.0
Operating result (CZK m)	4.6
Profit before taxation (CZK m)	4.6
Profit after taxation (CZK m)	3.3
Investments (CZK m)	1.1
Number of employees (FTE)	3

Wherever used in the text, the term Company or innogy Energetika Plhov - Náchod refers to innogy Energetika Plhov - Náchod, s.r.o.

Abbreviations

CAS	Czech Accounting Standards
CEO	Chief Executive Officer
CHS	Centralized heating system
EBITDA	Earnings before interest, taxes, depreciation, and amortization
kWt	Kilowatt – unit of measurement for heat
kWe	Kilowatt – unit of measurement for electricity
SLA	Service level agreement

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The Annual Report has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the Annual Report takes precedence over the English version.

1 The chairman's statement

Ladies and Gentlemen,

The year 2021 was marked by the continuation of the COVID-19 pandemic and an unexpected rise in the prices of gas and electricity on wholesale markets, which began in the second half of the year.

Thanks to the responsible attitude of all employees and trading partners, the pandemic had a minimal impact on the operation of our heating plant.

While energy prices were increasing gradually in the first half of the year, they rose sharply starting at the beginning of the summer. In September in particular, we witnessed the beginning of an unprecedented surge, as prices skyrocketed to levels four times higher than at the beginning of the year. The developments impacted heat production, forcing us to raise prices. Thanks to the innogy Group's strong backing and active gas procurement management, we were able to cope with the turbulent developments on the market, ensuring that heat prices paid by our customers in 2022 will increase by only 20%.

In cooperation with our parent company, innogy Energo, we incorporated our cogeneration units into an aggregation block and began providing balancing services to ČEPS.

Thanks to close cooperation with the City of Náchod, a new road was built in an area where a siding rail formerly served the heating plant. The road will reduce traffic in the center of the city. The project began in June and included reconstructing heat conduits and relocating gas pipelines. The work included the second stage of Náchod District Heating System Optimization in the Kladská area, an investment project consisting of replacing old steam pipes with hot water conduits. From the start, all preparatory and planning tasks and the subsequent execution were coordinated with municipal officials.

I want to thank the City of Náchod for excellent cooperation. My thanks also go to employees and our trading partners. In the upcoming year, we will continue focusing on ensuring reliable supply of heat to the residents of Náchod.

Jiří Šimek

Chairman of the Executive Directors, CEO



2 Corporate information

2.1 General Information

Business name:	innogy Energetika Plhov - Náchod, s.r.o.
Registered office:	Plhovská 544, 547 01 Náchod
Business ID:	07846738
Legal form:	Limited liability company

Establishment, Incorporation, and History

Incorporated on 11 February 2019, innogy Energetika Plhov - Náchod, s.r.o. is registered under Reg. No. C 43272 in the Commercial Register maintained by the Hradec Králové Regional Court. The Company's registered office is at Plhovská 544, Náchod.

On 1 August 2019, an in-kind contribution to the Company's registered capital was made by means of a spin-off of a part of the undertaking of the parent company innogy Energo, s.r.o.

On 6 August 2019, a 7% ownership interest was exchanged with the City of Náchod for a set of assets.

Within the aforesaid part of the undertaking and the contribution thereof into innogy Energetika Plhov - Náchod, s.r.o., an energy generation facility was subsequently built in the Plhov District of Náchod (boiler, cogeneration units, exchanger, and other components and accessories) to generate heat and provide heat supplies to business and residential customers via a district heat supply network.

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Company Profile

The principal objects of the Company's business are the generation and distribution of heat and electricity.

Foreign Branch or Division

The Company has no branch or division abroad.

Research and Development

The Company does not carry out research and development.

2.2 Shareholders

Ownership Structure

As at 31 December 2021, the majority member holding a 93% share in the registered capital of innogy Energetika Plhov - Náchod, s.r.o. was innogy Energo, s.r.o., a company with registered office at Limuzská 3135/12, 100 98 Prague 10 – Strašnice, Czech Republic.

The remaining minority 7% share in the registered capital of the Company was held by the City of Náchod.

2.3 Statutory Body and Supervisory Body

Executive Directors as at 31 December 2021

Jiří Šimek

Chairman of the Executive Directors

Date of birth:	9 October 1974
Education:	Johannes Kepler University, Linz, Faculty of Economics
Other board memberships and commitments:	Executive Director – innogy Energo, s.r.o., Chairman of the Supervisory Board – Olife Energy Net, a.s., Executive Director – Ginger Teplo, s.r.o.
Other business activities:	None

Zdeněk Slavík

Executive Officer

Date of birth:	9 August 1969
Education:	Technical University of Liberec, Faculty of Mechanical Engineering
Other board memberships and commitments:	None
Other business activities:	None

Jana Majerová

Executive Officer

Date of birth:	13 January 1960
Education:	Ambis College, Prague
Other board memberships and commitments:	None
Other business activities:	None

The changes of the composition of the Company's Executive Directors in 2021:

On 9 April 2021, the General Meeting adopted a decision acknowledging and approving the resignation due to personal reasons of Executive Director Ladislav Šimek effective as of 9 April 2021. Subsequently, the General Meeting appointed Jana Majerová as the Company's Executive Director effective as of 10 April 2021.

Supervisory Board as at 31 December 2021**Zdeněk Kaplan**

Chairman of the Supervisory Board

Date of birth:

7 November 1974

Education:

University of Economics, Prague, Faculty of Corporate Economics

Other board memberships and commitments:

Chairman of the Executive Directors – innogy Energo, s.r.o., Chairman of the Board of Directors – Olife Energy Net, a.s., Executive Director – Ginger Teplo, s.r.o.

Other business activities:

None

Jan Birke

Member of the Supervisory Board

Date of birth:

1 June 1969

Education:

Secondary School of Mechanical Engineering, Nové Město nad Metují

Other board memberships and commitments:

Deputy Chairman of the Board of Directors – Vodovody a kanalizace Náchod, a. s., Chairman of the Board of Directors – Beránek Náchod, a. s.

Other business activities:

None

Daniel Franc

Member of the Supervisory Board

Date of birth:

13 October 1976

Education:

University of Economics, Prague, Faculty of Finance and Accounting

Other board memberships and commitments:

None

Other business activities:

None

2.4 Persons Responsible for the Annual Report and Audit of the Financial Statements

Auditor and Audit Firm Responsible for Auditing the Financial Statements of Innogy Energetika Plhov – Náchod for 2021

Audit firm:

Deloitte Audit s.r.o.
Represented by Václav Loubek
(Representative acting under power of attorney)
Churchill I, Italská 2581/67, 120 00, Praha 2 – Vinohrady
Registered in the Register of Audit Firms
of the Czech Chamber of Auditors, Registration No. 079

Auditor in charge:

Václav Loubek
Statutory Auditor, Registration No. 2037

Person Responsible for Accounting

Slávka Šimkovičová

Manager, Asset Accounting, Payments & Taxes, innogy Česká republika a.s.
Appointed under SLA entered into with innogy Česká republika a.s.

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Persons Responsible for the 2021 Annual Report of innogy Energetika Plhov - Náchod

We, the undersigned, hereby affirm that information disclosed in this Annual Report is true and that no facts of material importance have been omitted or misrepresented.

Prague, 17 March 2022



Jiří Šimek

Chairman of the Executive Directors, CEO



Zdeněk Slavík

Executive Director, COO

3 Management report for 2021

3.1 Results

Revenues, Expenses, Profit

The Company recorded CZK 166.4 million in total revenues from the sale of heat and electricity. In the course of the year, an unexpected rise in commodity costs occurred, specifically natural gas. The adverse impact of this increase was eliminated by raising heat prices at the end of the year. Thanks to that, earnings recorded in 2021 amounted to CZK 3.3 million, a result comparable to the preceding year.

Assets and Liabilities

The Company's balance sheet total at 31 December 2021 amounted to CZK 208.6 million.

Investments

During 2021, the Company made an investment into operations in the total amount of CZK 1.1 million in accordance with the investment plan.

Financing

innogy Energetika Plhov-Náchod, s.r.o. takes part in the innogy Group's cash-pooling scheme in the Czech Republic.

Risk Management

The Company records all risks in the Catalogue of Risks. Moreover, individual risks are entered into a risk matrix to facilitate the identification of the most serious threats in terms of the probability of their occurrence and the extent of potential financial impact. There is a clearly defined owner responsible for the management of every risk. Depending on their nature, serious risks are hedged against by means of insurance, provisions, hedging transactions, and various other preventative measures. In 2021, the Company's management identified no risks liable to jeopardize the Company's existence.

3.2 Strategy and Business Activities

innogy Energetika Plhov - Náchod, s.r.o. operates the Plhov Heating Plant based on an integrated business permit. The heating plant comprises Gas Steam Boiler K9 with a rated thermal input of 11.318 MW and Gas Cogeneration Units KGJ 1 and KGJ2 with a fuel input of 2.366 MW and 2.363 MW, respectively. All of the units are operated in accordance with technical and organizational regulations and standards, including conformity to specific emission limits. Together with the heating plant, the Company operates a district heat distribution system in Náchod based on a lease arrangement. In cooperation with the parent undertaking, innogy Energo, s.r.o., the Company takes part in providing all-inclusive heat supply services to the entire municipality of Náchod. The Company aims to further enlarge and develop the district heating network in Náchod based on its commitment to operate as a leading, reliable supplier of heat to residential, commercial, and public-sector customers.

3.3 Marketing and Communication Activities

As to marketing and communication activities, the Company relied on its membership in the innogy Group in the Czech Republic.

3.4 Human Resources

Staffing Levels

In 2021, employee headcount (FTE) in the Company was three.

Wages

In 2021, the development of wages reflected the remuneration rules and wage increase principles agreed in the Collective Agreement in effect.

Professional Training and Development

In 2021, the Company secured training and personal development for its workers under the education and training program of the innogy Group in the Czech Republic.

Social Policy

The Company fulfilled all obligations relating to working conditions and employee benefits agreed under the innogy Group Collective Agreement.

3.5 Occupational Health and Safety and Environmental Protection

Occupational Health and Safety

Environmental protection is one of the Company's main priorities. It includes maintaining a responsible and active attitude toward ecology, conforming to laws, and continually improving employees' awareness of environmental issues to educate them regarding the impacts and consequences of their and the Company's actions on the natural world.

No incident was recorded in the reported year, which would have an adverse impact on the environment as a result of the Company's operations.

Environmental Protection

Like the preceding year, 2021 was marked by efforts to fight the COVID-19 pandemic and to protect our employees. In this regard, the Company mainly focused in the course of the year on implementing new legislative requirements, creating internal regulations (across-the-board staff testing, third-party entry to the Company's premises), defining regimens, and procuring certified antigen test kits and personal protective equipment with a view to ensuring maximum protection for the health of all of the Company's workers.

In the course of the year, Energetika Plhov-Náchod carried out occupational safety inspections, preventative fire-safety checks, and regular reviews of work processes aimed at identifying and assessing risk factors relating to occupational health. The inspections identified no deficiencies liable to endanger lives, health, or property.

All of the Company's operations are conducted in strict adherence to occupational health and safety laws and regulations, as evidenced by the fact that no occupational injury was recorded at innogy Energetika Plhov-Náchod, s.r.o. in 2021.

3.6 Subsequent Events

On 16 December 2021, the Company concluded a loan agreement with its parent company, Innogy Energo, s.r.o., in the amount of CZK 32,550 thousand, which has not yet been drawn.

On 2 March 2022, the Company concluded a loan agreement with the City of Náchod in the amount of CZK 2,450 thousand. The loan was drawn on 2 March 2022.

On 24 February 2022, Russia launched a military invasion of Ukraine. Western states have responded by imposing a series of sanctions against the Russian aggressor. The aim of the measure is to isolate Russia politically and economically and cause it as much damage as possible, thus preventing it from continuing its military aggression. It cannot be ruled out that one of the consequences of this development could be the suspension of gas supplies from Russia to Europe, even if it would have negative effects on both sides. Should this situation occur, it could have significant negative effects on the Company's finances and possibly the value of its assets or liabilities, which, however, cannot be quantified at this time.

There were no other subsequent events that would have a material impact on the financial statements as at 31 December 2021.

3.7 Outlook

During the forthcoming period, the Company will execute an investment project consisting of installing Steam Boiler K10, a new unit with thermal input of approximately 8.0 MW that will serve for generating and delivering heat in the form of superheated steam with a pressure of 1.0 MPa and temperature of 220 °C. Carried out in accordance with the municipal land-use plan, the beginning of this upgrade project is planned for April 2022. Operation will start at the beginning of 2023. The projected value of the investment is approximately CZK 35 million.



4 Financial section

4.1 Financial Statements

BALANCE SHEET full version		innogy Energetika Plhov - Náchod, s.r.o. Corporate ID 07846738			
		As at 31/12/2021 (in CZK thousand)			Plhovská 544 547 01 Náchod
		31/12/2021			31/12/2020
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	243,380	34,788	208,592	176,504
B.	Fixed assets	155,765	34,788	120,977	128,233
<i>B.II.</i>	<i>Tangible fixed assets</i>	<i>155,765</i>	<i>34,788</i>	<i>120,977</i>	<i>128,233</i>
B.II.1.	Land and structures	35,318	6,143	29,175	30,104
B.II.1.2.	Structures	35,318	6,143	29,175	30,104
B.II.2.	Tangible movable assets and sets of tangible movable assets	91,350	24,050	67,300	72,001
B.II.3.	Valuation difference on acquired assets	28,520	4,595	23,925	25,826
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	577		577	302
B.II.5.2.	Tangible fixed assets under construction	577		577	302
C.	Current assets	87,501		87,501	48,271
<i>C.II.</i>	<i>Receivables</i>	<i>87,497</i>		<i>87,497</i>	<i>48,267</i>
<i>C.II.2.</i>	<i>Short-term receivables</i>	<i>87,497</i>		<i>87,497</i>	<i>48,267</i>
C.II.2.1.	Trade receivables	20,455		20,455	1,314
C.II.2.2.	Receivables - controlled or controlling entity				3,312
C.II.2.4.	Receivables - other	67,042		67,042	43,641
C.II.2.4.3.	State - tax receivables	353		353	3,278
C.II.2.4.4.	Short-term prepayments made	38		38	159
C.II.2.4.5.	Estimated receivables	66,651		66,651	40,204
<i>C.IV.</i>	<i>Cash</i>	<i>4</i>		<i>4</i>	<i>4</i>
C.IV.1.	Cash on hand	4		4	4
D.	Other assets	114		114	
D.1.	Deferred expenses	114		114	

		31/12/2021	31/12/2020
	TOTAL LIABILITIES & EQUITY	208,592	176,504
A.	Equity	132,086	132,181
<i>A.I.</i>	<i>Share capital</i>	<i>128,823</i>	<i>128,823</i>
A.I.1.	Share capital	128,823	128,823
<i>A.V.</i>	<i>Profit or loss for the current period (+/-)</i>	<i>3,263</i>	<i>3,358</i>
B.+C.	Liabilities	76,489	44,317
B.	Reserves	113	143
B.IV.	Other reserves	113	143
C.	Payables	76,376	44,174
<i>C.I.</i>	<i>Long-term payables</i>	<i>2,495</i>	<i>879</i>
C.I.8.	Deferred tax liability	2,495	879
<i>C.II.</i>	<i>Short-term payables</i>	<i>73,881</i>	<i>43,295</i>
C.II.3.	Short-term prepayments received	19,755	19,832
C.II.4.	Trade payables	10,861	3,368
C.II.6.	Payables - controlled or controlling entity	9,323	
<i>C.II.8.</i>	<i>Other payables</i>	<i>33,942</i>	<i>20,095</i>
C.II.8.3.	Payables to employees	127	142
C.II.8.4.	Social security and health insurance payables	64	84
C.II.8.5.	State - tax payables and subsidies	10	25
C.II.8.6.	Estimated payables	33,735	19,833
C.II.8.7.	Sundry payables	6	11
D.	Other liabilities	17	6
D.1.	Accrued expenses	17	15 6

PROFIT AND LOSS ACCOUNT structured by the nature of expense method		innogy Energetika Plhov - Náchod, s.r.o. Corporate ID 07846738	
Year ended 31/12/2021 (in CZK thousand)		Plhovská 544 547 01 Náchod	
		Year ended 31/12/2021	Year ended 31/12/2020
I.	Sales of products and services	166,400	144,647
II.	Sales of goods	48,647	32,590
A.	Purchased consumables and services	196,315	159,023
A.1.	Costs of goods sold	48,647	32,590
A.2.	Consumed material and energy	123,954	100,374
A.3.	Services	23,714	26,059
D.	Staff costs	3,252	2,761
D.1.	Payroll costs	1,992	1,958
D.2.	Social security and health insurance costs and other charges	1,260	803
D.2.1.	Social security and health insurance costs	828	709
D.2.2.	Other charges	432	94
E.	Adjustments to values in operating activities	8,322	8,268
E.1.	Adjustments to values of intangible and tangible fixed assets	8,322	8,268
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	8,322	8,268
III.	Other operating income	4	10
III.3.	Sundry operating income	4	10
F.	Other operating expenses	2,528	2,464
F.3.	Taxes and charges	2,535	2,130
F.4.	Reserves relating to operating activities and complex deferred expenses	(30)	25
F.5.	Sundry operating expenses	23	309
*	Operating profit or loss (+/-)	4,634	4,731
VI.	Interest income and similar income	2	7
VI.1.	Interest income and similar income - controlled or controlling entity	2	7
J.	Interest expenses and similar expenses	47	24
J.1.	Interest expenses and similar expenses - controlled or controlling entity	47	24
K.	Other financial expenses	19	13
*	Financial profit or loss (+/-)	(64)	(30)
**	Profit or loss before tax (+/-)	4,570	4,701
L.	Income tax	1,307	1,343
L.1.	Due income tax	(309)	107
L.2.	Deferred income tax (+/-)	1,616	1,236
**	Profit or loss net of tax (+/-)	3,263	3,358
***	Profit or loss for the current period (+/-)	3,263	3,358
*	Net turnover for the current period	215,053	177,254

STATEMENT OF CHANGES IN EQUITY								innogy Energetika Plhov - Náchod, s.r.o. Corporate ID 07846738	
Year ended 31/12/2021 (in CZK thousand)								Plhovská 544 547 01 Náchod	
	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Other profit or loss from prior years	Profit share prepayments declared	Profit or loss for the current period	TOTAL EQUITY	
Balance at 31 December 2020	128,823	-	-	-	-	-	3,358	132,181	
Profit shares paid							(3,358)	(3,358)	
Profit or loss for the current period							3,263	3,263	
Balance at 31 December 2021	128,823	-	-	-	-	-	3,263	132,086	

CASH FLOW STATEMENT		innogy Energetika Plhov - Náchod, s.r.o. Corporate ID 07846738	
Year ended 31/12/2021 (in CZK thousand)		Plhovská 544 547 01 Náchod	
		Year ended 31/12/2021	Year ended 31/12/2020
P.	Opening balance of cash and cash equivalents	4	45,399
	Opening balance of cash and cash equivalents after transformation		
	<i>Cash flows from ordinary activities (operating activities)</i>		
Z.	Profit or loss before tax	4,570	4,701
A.1.	Adjustments for non-cash transactions	8,337	8,091
A.1.1.	Depreciation of fixed assets	8,322	8,268
A.1.2.	Change in provisions and reserves	(30)	(194)
A.1.5.	Interest expense and interest income	45	17
A.*	Net operating cash flow before changes in working capital	12,907	12,792
A.2.	Change in working capital	(8,859)	(59,472)
A.2.1.	Change in operating receivables and other assets	(39,354)	13,369
A.2.2.	Change in operating payables and other liabilities	30,495	(72,943)
A.2.3.	Change in inventories	-	102
A.**	Net cash flow from operations before tax	4,048	(46,680)
A.3.	Interest paid	(36)	(18)
A.4.	Interest received	2	7
A.5.	Income tax paid from ordinary operations	319	(503)
A.***	Net operating cash flows	4,333	(47,194)
	<i>Cash flows from investing activities</i>		
B.1.	Fixed assets expenditures	(975)	3,379
B.***	Net investment cash flows	(975)	3,379
	<i>Cash flow from financial activities</i>		
C.1.	Change in payables from financing		(357)
C.2.	Impact of changes in equity	(3,358)	(1,223)
C.2.6.	Profit shares/ dividends paid	(3,358)	(1,223)
C.***	Net financial cash flows	(3,358)	(1,580)
F.	Net increase or decrease in cash and cash equivalents	-	(45,395)
R.	Closing balance of cash and cash equivalents	4	4

4.2 Notes to Financial Statements

1. General information

1.1 Introductory information about the Company

Innogy Energetika Plhov - Náchod, s.r.o. (the “Company”) was incorporated on 11 February 2019 by the Regional Court in Hradec Králové, Section C, insert 43272 and has its registered office at Plhovská 544, 547 01 Náchod. The Company’s main business activities include the production and distribution of heat, the production and distribution of electric power, the lease of real estate, both residential and non-residential premises without provision of services other than basic services related to lease. Identification number of the Company is 078 46 738.

Executive Directors as at 31 December 2021:

Jiří Šimek	Chairman of the Executive Directors
Zdeněk Slavík	Executive Director
Jana Majerová	Executive Director

On 9 April 2021, Ladislav Šimek resigned as Executive Director. The Company’s General Meeting elected Jana Majerová as new Executive Director with effect from 10 April 2021.

The Company is not a shareholder having unlimited liability in any other undertaking.

Other information

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On 30 October 2020, a 100% share in innogy Česká republika a.s. including all parties under its control was transferred from the original owner innogy Beteiligungsholding GmbH from the E.ON group into the hands of the multinational energy group MVM, specifically to be directly owned by MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság, with its registered office at 1031 Budapest, Szentendrei út 207-209, Hungary, operating under a new name MVM Energetika Zártkörűen Működő Részvénytársaság since 1 January 2021, which is the ultimate parent company of the entire MVM Group.

The COVID-19 pandemic continued in 2021. The government restrictive measures taken in order to mitigate the health impacts, especially in services, gastronomy and the travel industry, had no material impact on the Company’s business. Customer supplies were provided without limitations. Employees made the most of the opportunity to work from home. The Company did not receive any state aid.

The Company’s business in 2021 was substantially impacted by the price development in the wholesale energy market. Wholesale gas and electricity prices were gradually growing from the start of the year, being twice as high in the middle of the year. From September, the prices continued to multiply.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for medium-sized companies and have been prepared under the historical cost convention.

Management has considered the impact of the novel coronavirus causing the COVID-19 disease when assessing the valuation of assets and liabilities and going concern assumptions.

2.2 Intangible and tangible fixed assets

All intangible (and tangible) assets with a useful life longer than one year and a unit cost of more than CZK 60 thousand (CZK 10 thousand) are treated as intangible (and tangible) fixed assets.

Purchased intangible and tangible fixed assets are initially recorded at cost, which includes all costs related to its acquisition. Own work capitalised is recorded at cost.

Intangible fixed assets are amortised applying the straight-line method over their estimated useful lives as follows (unless the related agreement or license conditions stipulate a shorter or a longer period):

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Intangible fixed assets	Estimated useful life
Software	3 years
Valuable rights	6 years
Other intangible fixed assets	6 years

Other intangible rights are amortised applying the straight-line method over their estimated useful life.

Tangible fixed assets, except for land and works of art, which are not depreciated, are depreciated applying the straight-line method. Leased projects are depreciated over the lease term duration. Assets used in projects operated by the Company are depreciated based on the duration of the project.

Other tangible assets are amortised applying the straight-line method over their estimated useful life as follows:

Tangible fixed assets	Estimated useful life
Buildings and constructions	12 to 45 years
Machinery, equipment, furniture, and fittings	4 years
Computers, cars	3 to 5 years
Machines	5 to 15 years

The amortisation plan is updated during the useful life of the intangible and tangible fixed assets based on the expected useful life.

Intangible fixed assets with a unit cost less than CZK 60 thousand are expensed upon acquisition.

Tangible assets with a useful life exceeding one year, which are not considered as fixed assets according to the Company's internal regulations, are treated as inventory. Such assets with a purchase price exceeding CZK 2 thousand are recorded in operating records and are subject to stock counting.

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the asset.

Repairs and maintenance expenditures of tangible fixed assets are expensed as incurred. Technical improvements of tangible and intangible fixed assets are capitalised.

Valuation differences arising from acquired assets represent the difference between the valuation by an expert and the net value of the investment, i.e. aggregate valuations of assets and liabilities acquired as recorded in the accounts of the original owner.

Such differences are amortised on a straight-line basis over a period of 15 years.

2.3 Inventories

Purchased inventories are stated at cost net of provisions. The cost includes all costs relating to the acquisition of these inventories (mainly transport costs, customs duty, etc.). The weighted average method is applied for all disposals.

Inventories generated from own production cannot be stored (heat and electric power) and therefore are not recorded as inventories.

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2.4 Unbilled heat and prepayments for heat

The Company does not compensate the total amount of unbilled heat receivable with the total amount of advance payments received for heat from individual customers.

2.5 Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and individual evaluation of the creditworthiness of the customers.

The Company does not create a provision for receivables from related parties.

2.6 Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange as at the transaction date.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange rate gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

The Company treats prepayments made in foreign currencies for the acquisition of fixed assets or inventories as receivables denominated in foreign currencies and therefore these assets are translated at the exchange rate published by the Czech National Bank as at the balance sheet date.

2.7 Reserves

The Company recognises reserves to cover its obligations or expenses when the nature of the obligations or expenses is clearly defined and it is probable or certain as at the balance sheet date that they will be incurred, however their precise amount or timing is not known. The reserve recognised as at the balance sheet date represents the best estimate of expenses that will be probably incurred or the amount of liability that is required for their settlement.

The Company recognises a reserve for its income tax payable which is presented net of prepayments made for the income tax. If prepayments made are higher than the estimated income tax payable, the difference is recognised as a short-term receivable.

The Company recognises mainly a reserve relating to untaken holidays and rewards and bonuses of employees.

2.8 Revenue recognition

Revenues from the sale of heat, cold and electricity comprise of actually billed revenues based on real consumption measured in sampling points (meter reading is performed at least once a year) and revenues from the so-called “unbilled supplies.” The value of unbilled supplies is booked via estimated receivables on the basis of actual energy consumption. Settlement of the estimated items is performed in the following year.

2.9 Related parties

The Company’s related parties are considered to be the following:

Parties, which directly or indirectly control the Company, their subsidiaries and associates,
Parties, which have directly or indirectly significant influence on the Company,
Members of the Company’s or parent company’s statutory and supervisory boards
and management and parties close to such members, including entities in which they have
a controlling or significant influence,
Subsidiaries and associates and joint-venture companies.

Material transactions and outstanding balances with related parties are disclosed in Note 8.

2.10 Interest expenses

Interest expenses arising from loans for the acquisition of intangible and tangible fixed assets are capitalised during the period of assembly of the assets and their preparation for use. Other costs related to loans are recognised as expenses.

2.11 Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. A deferred tax asset is recognised if it is probable that sufficient future taxable profit will be available against which the asset can be utilised.

2.12 Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed in Note 12, but are not themselves recognised in the financial statements.

3. Tangible fixed assets

(CZK'000)	1 January 2021	Additions / transfers	Disposals	31 December 2021
Cost				
Structures	35,318	0	0	35,318
Tangible movable assets and sets of tangible movable assets	90,559	791	0	91,350
Prepayments for tangible fixed assets and tangible fixed assets under construction	302	275	0	577
Valuation difference on acquired assets	28,520	0	0	28,520
Total	154,699	1,066	0	155,765
Accumulated depreciation and provision				
Structures	(5 214)	(929)	0	(6,143)
Tangible movable assets and sets of tangible movable assets	(18,558)	(5,492)	0	(24,050)
Valuation difference on acquired assets	(2,694)	(1,901)	0	(4,595)
Total	(26,466)	(8,322)	0	(34,788)
Net book value	128,233			120,977

(CZK'000)	1 January 2020	Additions / transfers	Disposals	31 December 2020
Cost				
Structures	5,976	29,342	0	35,318
Tangible movable assets and sets of tangible movable assets	13,161	77,398	0	90,559
Prepayments for tangible fixed assets and tangible fixed assets under construction	78,292	(77,990)	0	302
Valuation difference on acquired assets	28,520	0	0	28,520
Total	125,949	28,750	0	154,699
Accumulated depreciation and provision				
Structures	(4,286)	(928)	0	(5 214)
Tangible movable assets and sets of tangible movable assets	(13,120)	(5,438)	0	(18,558)
Valuation difference on acquired assets	(792)	(1,902)	0	(2,694)
Total	(18,198)	(8,268)	0	(26,466)
Net book value	107,751			128,233

The valuation of assets and liabilities was adopted by the Company from the investor; the difference between the valuation by an expert and the net value of the investment was recognised by the Company in Tangible fixed assets under Valuation difference on acquired assets in the amount of CZK 28,520 thousand. As at 31 December 2021, the net book value of the valuation difference was CZK 23,925 thousand (as at 31 December 2020: CZK 25,826 thousand). The valuation difference is amortised on a straight-line basis over 15 years in line with Regulation 500/2002 Coll., as amended.

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No assets of the Company are pledged.

4. Receivables

(CZK'000)		31 December 2021	31 December 2020
Trade receivables	- due	20,435	1,310
	- overdue	20	4
Total trade receivables		20,455	1,314
Receivables – controlled or controlling entity		0	3,312
Estimated receivables		66,651	40,204
Other receivables		391	3,437
Total short-term receivables		87,497	48,267
Total receivables		87,497	48,267

Receivables have not been secured and none of them are due after more than 5 years.

The Company has no receivables or contingent receivables which are not included in the balance sheet.

The provision for receivables as at 31 December 2021 and 31 December 2020 was not recognised.

5. Equity

Shareholders:	Share (%)	31 December 2021	31 December 2020
		Carrying value (CZK'000)	Carrying value (CZK'000)
innogy Energo, s.r.o.	93	119,805	119,805
Město Náchod	7	9,018	9,018

Innogy Energo, s.r.o. has its registered office at Limuzská 3135/12, Strašnice, 108 00 Prague 10, identification number: 251 15 171; the City of Náchod has its registered office at Masarykovo náměstí 40, 547 01 Náchod, identification number: 002 72 868.

The Company is part of a consolidation group where MVM Energetika Zártkörűen Működő Részvénytársaság, with its registered office at 1031 Budapest, Szentendrei út 207-209, Hungary, is the parent company. The consolidated financial statements can be obtained at its registered office.

As at 25 June 2021, the Company's General Meeting approved the Company's financial statements for 2020 and decided about the distribution of the profit of CZK 3,358 thousand achieved in 2020 in the form of profit share payments to the shareholders according to their ownership shares.

Until the date of preparation of these financial statements, the Company has not proposed distribution of the profit generated in 2021.

6. Reserves

Income tax prepayments of CZK 178 thousand made by the Company as at 31 December 2021 (31 December 2020: CZK 178 thousand) were offset against the reserve for income tax of CZK 11 thousand created as at 31 December 2021 (31 December 2020: CZK 0 thousand).

As at 31 December 2021 and 31 December 2020, other reserves consist mainly of reserves for employment benefits.

7. Payables, commitments and contingent liabilities

(CZK'000)	31 December 2021	31 December 2020
Trade payables: - due	10,861	3,368
Payables – controlled or controlling entity	9,323	0
Short-term prepayments received	19,755	19,832
Other payables	33,942	29,161
Total short-term payables	73,881	43,295
Long-term payables	2,495	879
Total payables	76,376	44,174

Payables have not been secured against any assets of the Company and are not due after more than 5 years.

Other payables mainly include estimated payables for unbilled deliveries.

The management of the Company is not aware of any contingent liabilities as at 31 December 2021 and 31 December 2020.

8. Related party transactions

The Company was involved in the following transactions with related parties:

(CZK'000)	2021	2020
Income		
Sales of goods and services	191,024	174,314
Interest on cash-pooling	2	7
Total	191,026	174,321
Expenses		
Purchase of services and energy	193,631	163,499
Interest on cash-pooling	47	24
Total	193,678	163,523

The following related party balances were outstanding as at:

(CZK'000)	31 December 2021	31 December 2020
Receivables		
Trade receivables	19,337	0
Short-term receivables - cash-pooling	0	3,312
Estimated receivables	46,509	19,130
Total	65,846	22,442
Liabilities		
Trade payables	10,516	2,588
Estimated payables	32,834	19,194
Short-term payables - cash-pooling	9,323	0
Accrued expenses	17	7
Total	52,240	21,789

Neither the shareholder nor the management members received any borrowings, credits, deposits or other benefits other than those disclosed herein.

9. Employees

	2021	2020
Average recalculated number of employees	3	3
Total number of employees	3	3
(CZK'000)	2021	2020
Wages and salaries	1,992	1,958
Social security costs	828	709
Other social costs	432	94
Total staff costs	3,252	2,761

In line with Section 39b(6)(d) of Implementing Regulation No. 500/2002 Coll., the Company does not present the remuneration of the Statutory Body separately.

10. Income tax

The income tax expense can be analysed as follows:

(CZK'000)	2021	2020
Current tax – reserve	11	107
Current tax – use of tax losses from 2019	(320)	0
Deferred tax	1,616	1,236
Total income tax expense	1,307	1,343

Current tax can be analysed as follows:

(CZK'000)	2021	2020
Profit or loss before tax	4,570	4,701
Tax non-deductible expenses	249	(72)
Tax non-deductible income	-396	0
Difference between tax and accounting depreciation/amortisation	(4,367)	(5,108)
Use of tax losses from prior years	0	0
Tax base (+) / tax loss (-)	56	-479
Corporate income tax of 19%	11	0

Estimation of income tax is recorded as a reserve (refer to Note 6).

The deferred tax was calculated at 19% (the rate enacted for 2021 and subsequent years).

Deferred tax liability can be analysed as follows:

(CZK'000)	31 December 2021	31 December 2020
Deferred tax asset(+)/liability(-) arising from:		
Difference between accounting and tax net book value of fixed assets	(2,516)	(997)
Reserves and provisions	21	27
Tax loss	0	91
Net deferred tax liability	(2,495)	(879)

As at 31 December 2021, the Company does not recognise any tax losses which could be utilised in the following years (as at 31 December 2020: CZK 479 thousand).

11. Contingent liabilities

The Company's management is not aware of any contingent liabilities as at 31 December 2021.

12. Subsequent events

On 16 December 2021, the Company concluded a loan agreement with its parent company, Innogy Energo, s.r.o., in the amount of CZK 32,550 thousand, which has not yet been drawn.

On 2 March 2022, the Company concluded a loan agreement with the City of Náchod in the amount of CZK 2,450 thousand. The loan was drawn on 2 March 2022.

On 24 February 2022, Russia launched a military invasion of Ukraine. Western states have responded by imposing a series of sanctions against the Russian aggressor. The aim of the measure is to isolate Russia politically and economically and cause it as much damage as possible, thus preventing it from continuing its military aggression. It cannot be ruled out that one of the consequences of this development could be the suspension of gas supplies from Russia to Europe, even if it would have negative effects on both sides. Should this situation occur, it could have significant negative effects on the Company's finances and possibly the value of its assets or liabilities, which, however, cannot be quantified at this time.

There were no other subsequent events that would have a material impact on the financial statements as at 31 December 2021.

17 March 2022


Jiří Šimek
Chairman of the Executive Directors


Zdeněk Slavík
Executive Director



5 Independent auditor's report



Deloitte Audit s.r.o.
Churchill I
Italská 2581/67
120 00 Praha 2 – Vinohrady
Czech Republic

Tel: +420 246 042 500
Fax: +420 246 042 555
DeloitteCZ@deloitteCE.com
www.deloitte.cz

Registered by the Municipal Court
in Prague, Section C, File 24349
ID. No.: 49620592
Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR'S REPORT

To the Partners of innogy Energetika Plhov – Náchod, s.r.o.

Having its registered office at: Plhovská 544, 547 01 Náchod

Opinion

We have audited the accompanying financial statements of innogy Energetika Plhov – Náchod, s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2021, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Innogy Energetika Plhov – Náchod, s.r.o. as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 12 to the financial statements which describes uncertainty resulting from the subsequent event - military conflict of the Russian Federation in Ukraine and related sanctions, which might have a material impact on the Company's finances and possibly the value of its assets or liabilities. Our opinion is not modified in respect of this matter.

Other Matter

Corresponding figures as at 31 December 2020 and for the year then ended are unaudited.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executives and Supervisory Board are responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory Executives and Supervisory Board for the Financial Statements

The Statutory Executives are responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executives determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Executives are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Executives either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Executives.
- Conclude on the appropriateness of the Statutory Executives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executives and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 17 March 2022

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Václav Loubek
registration no. 2037



6 Report on relations for the accounting period of 2021

This Report on transactions carried out during the fiscal year 2021 between the Company and controlling parties and between the Company and other parties controlled by the same controlling parties ("related parties") has been prepared by the Executive Directors of innogy Energetika Plhov - Náchod, s.r.o. ("Company") in accordance with Section 82 et seq. of Act 90/2012 Coll. on Business Corporations and Cooperatives (Business Corporations Act), insofar as such parties are known to the Company. The Report is attached to the Company's 2021 Annual Report. The Company's member has the right to examine the Report at the same time and under the same conditions as the Financial Statements.

1 Structure of relations

The Company is a member of the MVM Group. The Company is subject to interlocking directorates within the meaning of Section 79 of the Business Corporations Act, where at least one key area or activity of the Group's business was coordinated and managed in an addressed manner with the aim of promoting the Group's long-term interests in line with uniform Group-wide policies. The Company's membership in the MVM Group is disclosed on the Company's website.

a) *Controlling parties*

In the past accounting period, the Company was controlled by the following controlling persons:

- i. Directly
 - innogy Energo, s.r.o., with registered office at Limuzská 3135/12, 108 00 Prague 10 – Strašnice, Business ID: 25115171, the majority shareholder of the Company,
- ii. Indirectly
 - innogy Česká republika a.s., with registered office at Limuzská 3135/12, 100 98 Prague 10 – Strašnice, Business ID: 242 75 051, the sole Shareholder of innogy Energo, s.r.o.,
 - MVM Energetika Zártkörűen Működő Részvénytársaság, with registered office at Szentendrei út 207-209, 1031 Budapest, Hungary, the ultimate controlling party.

The Executive Directors are aware of no other parties exercising control over the Company.

b) *Other controlled parties*

The Company requested the above controlling parties to provide a list of the other parties that were controlled by the controlling parties in the past accounting period. The Executive Directors have drawn up this Report on the basis of the information provided by the controlling parties and other information available to the Executive Directors. The structure of related parties within the MVM Group as at 31 December 2021 is disclosed in Annex No. 1 to this Report.

c) *Role of the controlled party*

In the framework of the MVM Group, the Company conducted business consisting of operating district and local heat supply systems and generating electricity in the territory of Náchod.

d) *Method and means for exercising control*

The controlled party was controlled by the controlling party through the general meeting.

2 Overview of Transactions

In the last accounting period, the Company made, upon suggestion and/or in the interest of the related parties under point 1 above, the following legal acts concerning assets exceeding CZK 13,281.1 thousand and representing 10% of the Company's equity determined on the basis of the financial statements as at 31 December 2020:

- loans received and provided in the framework of the Group-wide cash-pooling scheme exceeding the above amount.

3 Overview of mutual agreements

In the last accounting period, or at least a part thereof, there were contractual relations between the Company and related parties within the meaning of point 1 of this report arising from the agreements listed in Annex 2.

4 Advantages and disadvantages arising from relationships between the Group entities

During the past accounting period, the Company benefited from the advantages stemming from the Group-wide financing arrangements, which ensure stability in the provision of funds. The Company is not aware of any disadvantages arising from its membership of the MVM Group. The Company has identified no risks arising from relations between the parties within the Group.

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5 Confidentiality

This Report does not contain any information constituting the Company's trade secret.

6 Conclusion

This Report was approved by the Company's Executive Directors on 17 March 2022.

Prague, 17 March 2022


Jiří Šimek
 Chairman of the Executive Directors, CEO


Zdeněk Slavík
 Executive Director, COO

Annex 1: Structure of persons related within the MVM Group

<i>Level</i>	<i>Company name</i>	<i>Country</i>	<i>Company Share %</i>	<i>MVM Share %</i>
0	MVM Zrt.	Hungary		
1	MAVIR ZRt.	Hungary	96.41	96.41
2	HUPX Zrt.	Hungary	100.00	100.00
3	CEEGEX Zrt.	Hungary	100.00	100.00
3	HUDEX Energiatőzsde Zrt.	Hungary	100.00	100.00
2	Római Irodaház Kft.	Hungary	50.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	4.35	100.00
1	MVM Paksi Atomerőmű Zrt.	Hungary	100.00	100.00
2	ATOMIX Kft.	Hungary	100.00	100.00
2	MVM Nukleáris Karbantartó Zrt.	Hungary	25.00	100.00
1	MVM Partner Zrt.	Hungary	100.00	100.00
2	MVM Partner Serbia d.o.o. Beograd	Serbia	100.00	100.00
2	MVM Partner d.o.o.	Croatia	100.00	100.00
2	MVM Partner DOOEL Skopje	Macedonia	100.00	100.00
2	POWERFORUM Zrt.	Hungary	100.00	100.00
1	MVMI Zrt.	Hungary	100.00	100.00
1	Római Irodaház Kft.	Hungary	50.00	100.00
1	Magyar Földgáztároló Zrt.	Hungary	100.00	100.00
1	MVM OVIT Zrt.	Hungary	100.00	100.00
2	MVM Engineering Zrt.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	4.35	100.00
1	MVM MIFŰ Kft.	Hungary	100.00	100.00
1	MVM Zöld Generáció Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Kft.	Hungary	95.70	100.00
2	Raaba Energy Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Alpha Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Beta Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Gamma Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Delta Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Zeta Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Kappa Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Epsilon Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Service Kft.	Hungary	100.00	100.00
2	MVM ZG SOLAR STAR Kft.	Hungary	100.00	100.00
2	Kom Hull Villamosenergia Kereskedő Kft.	Hungary	100.00	100.00
2	MVM Vízérőmű Kft.	Hungary	100.00	100.00
1	MVM ZG Solar Kft.	Hungary	4.30	100.00
1	MVM CEEnergy Zrt.	Hungary	100.00	100.00
2	MFGK Austria GmbH	Austria	100.00	100.00
2	MVM CEEnergy SLOVAKIA s.r.o.	Slovakia	100.00	100.00
2	MVM CEEnergy Croatia d.o.o.	Croatia	100.00	100.00
2	MFGK CZ s.r.o.	Czech Republic	100.00	100.00
2	Corvinus Energy Kft.	Hungary	50.00	50.00
3	HHE Sarkad Kft.	Hungary	100.00	50.00
1	NRG Finance Kft.	Hungary	100.00	100.00
2	Rába Energiaszolgáltató Kft.	Hungary	96.67	96.67
1	MVM BSZK Zrt.	Hungary	100.00	100.00

1	MVM ERBE Zrt.	Hungary	100.00	100.00
1	Vértesi Erőmű ZRT.	Hungary	100.00	100.00
1	MVM Hotel Panoráma Kft.	Hungary	100.00	100.00
1	MVM Balance Zrt.	Hungary	100.00	100.00
2	Tisza Erőmű Kft.	Hungary	100.00	100.00
1	MVM Smart Future Lab Zrt.	Hungary	100.00	100.00
1	MVM Titán Zrt.	Hungary	100.00	100.00
1	MVM Services Zrt.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	69.55	100.00
1	MVM Mobiliti Kft.	Hungary	100.00	100.00
2	e-Mobi Nonprofit Kft.	Hungary	100.00	100.00
2	Mobiliti VOLÁNBUSZ Kft.	Hungary	95.00	95.00
1	Kapos CNG Kft.	Hungary	99.635	99.635
1	MVM Otthon Plusz Zrt.	Hungary	100.00	100.00
1	MVM Xpert Zrt.	Hungary	100.00	100.00
2	ENERGO-MERKUR Kft.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	4.35	100.00
1	MVM ESCO Zrt.	Hungary	100.00	100.00
2	MVM ESCO Urban Kft.	Hungary	100.00	100.00
1	Grape Solutions Zrt.	Hungary	100.00	100.00
1	MVM Mátra Energy Zrt.	Hungary	53.26	100.00
2	MVM Mátra Gép Kft.	Hungary	100.00	100.00
2	MVM Mátra Mélyépítő Kft.	Hungary	100.00	100.00
2	Bakony-Sol Kft.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	4.35	100.00
1	Status Geo Invest Kft.	Hungary	100.00	100.00
2	Geosol Kft.	Hungary	100.00	100.00
1	MÁTRA ENERGY HOLDING Zrt.	Hungary	100.00	100.00
2	MVM Mátra Energy Zrt.	Hungary	46.74	100.00
1	MVM Next Energiakereskedelmi Zrt.	Hungary	100.00	100.00
2	MVM Démász Áramhálózati Kft.	Hungary	100.00	100.00
3	MVM Ügyfélkapcsolati Kft.	Hungary	24.00	100.00
3	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	4.35	100.00
2	MVM Főgáz Kft.	Hungary	100.00	100.00
3	MVM Ügyfélkapcsolati Kft.	Hungary	12.00	100.00
3	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	4.35	100.00
2	MVM Ügyfélkapcsolati Kft.	Hungary	52.00	100.00
2	Flogiston Kft.	Hungary	67.00	67.00
2	Gerecsegáz Zrt.	Hungary	49.36	49.36
2	Komunálinfó Zrt.	Hungary	42.40	42.40
1	MVM Optimum Zrt.	Hungary	100.00	100.00
1	MVM Égáz-Dégáz Zrt.	Hungary	100.00	100.00
2	MVM Ügyfélkapcsolati Kft.	Hungary	12.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	4.35	100.00
1	MVM OTSZ Zrt.	Hungary	100.00	100.00
1	MVM Watt Eta Kft.	Hungary	100.00	100.00
1	MVM Nukleáris Karbantartó Zrt.	Hungary	75.00	100.00
1	MVM EGI Zrt.	Hungary	100.00	100.00
2	EGI Cooling System Tr. (Beijing)	China	100.00	100.00
2	EGI Cooling System (China)	China	100.00	100.00
1	MVM Energy Romania SA	Romania	0.01	100.00
2	MVM FET SRL	Romania	100.00	100.00

2	H2O Energy SRL	Romania	100.00	100.00
2	CYEB SRL	Romania	100.00	100.00
2	Aqua Energia SRL	Romania	100.00	100.00
1	MVM Switzerland AG	Switzerland	100.00	100.00
2	MVM Energy Romania SA	Romania	99.99	100.00
3	MVM FET SRL	Romania	100.00	100.00
3	H2O Energy SRL	Romania	100.00	100.00
3	CYEB SRL	Romania	100.00	100.00
3	Aqua Energia SRL	Romania	100.00	100.00
1	NIKER d.o.o.	Croatia	100.00	100.00
1	innogy Česká republika a.s	Czech Republic	100.00	100.00
2	innogy Zákaznické služby s.r.o.	Czech Republic	100.00	100.00
2	innogy Energie s.r.o	Czech Republic	100.00	100.00
2	innogy Energo s.r.o	Czech Republic	100.00	100.00
3	Ginger TEPLo s.r.o	Czech Republic	100.00	100.00
3	innogy Energetika Plhov - Náchod s.r.o.	Czech Republic	93.00	93.00
3	Olife Energy Net, a.s.	Czech Republic	100.00	100.00
1	Panrusgáz Gázkereskedelmi Zrt.	Hungary	50.00	50.00
1	MVM Ingatlankezelő Kft.	Hungary	100.00	100.00
1	MVM KONTÓ Zrt.	Hungary	100.00	100.00
1	MVM ÉMÁSZ Áramhálózati Kft.	Hungary	100.00	100.00
1	MVM Lumen Kft.	Hungary	100.00	100.00
1	EKS-Service Kft.	Hungary	50.00	50.00
1	Déli Áramlat Magyarország Zrt.	Hungary	50.00	50.00
1	European Power Services Zrt.	Hungary	50.00	50.00

Company Share % shows the business share held by the direct owner of the company

MVM Share % shows the business share owned directly and/or indirectly by MVM Zrt according to Hungarian Civil Code

Annex no. 2: Overview of mutual agreements between the Company and Related Parties within the MVM Group as at 31 December 2021

Contracting party	Type/purpose of agreement	Quantity
innogy Česká republika a.s.	Master Agreement for Entry into Service Level Agreements for Corporate Services	1
	Service Level Agreement for Corporate Services	1
	Amendments 1-2 to Service Level Agreement for Corporate Services	2
innogy Energo, s.r.o.	Gas Asset Lease Agreement	1
	Amendment 1 to Gas Asset Lease Agreement	1
	Real Estate Lease Agreement	1
	Amendment 1 to Real Estate Lease Agreement	1
	Service Level Agreement for Corporate Services	1
	Amendments 1-2 to Service Level Agreement for Corporate Services	2
	Service Level Agreement for Provision of Loans	2
	Service Level Agreement for Operation, Maintenance, Repair, and Investment Services	1
	Service Level Agreement for Operation, Maintenance, Repair, and Investment Services	1
	Electricity Cost Re-Billing Agreement	1
	Heat Supply Agreement	1
	Natural Gas Supply Cost Re-Billing Agreement	1
	MVM Zrt.	One-Way Zero-Balancing Cash Pooling – ČSOB

innogy Energetika Plhov – Náchod, s.r.o.
Plhovská 544
CZ – 547 01 Náchod
innogy-energo.cz